

March 28, 1984

LB 962

CLERK: Yes sir.

SENATOR WARNER: Thank you. What this amendment does to 962 is it would lapse the interest that has been earned to date through this fiscal year, through June 30, 1984, on the special reserve cash flow fund, and then in addition would lapse or deposit the interest earned from that point forward to the general fund. We would anticipate that the earnings, through June 30, 1985, to the general fund, would be in the vicinity of \$4,500,000. It seems to me that it is most appropriate to not continue to stockpile that reserve fund, adding to it four or five million dollars per year. It will have in the vicinity, as I recall, \$36, \$37 million in it. That certainly is adequate for cash flow reserve. It should certainly not be used, the principal certainly should not be utilized. But I think that the annual interest on that fund could be very properly put into the general fund to use to offset the need for increasing, or the pressure, at least, to increase either sales or income tax to the extent that that level of earnings can. I also, you may recall, had suggested that this would be an appropriate amount of money that could be utilized to fund, in part, the teacher retirement bill, LB 457. It is particular significant and appropriate to look at it because that bill, the necessary transfer...or the appropriation would not need to take place until the end of the '84-85 fiscal year, which would be also the time where the maximum buildup of interest would have accrued, and would then be available for an appropriation to fund that act. But it could well be used for some other purpose as well. I would hope that the body would adopt the amendment in order to not continue to build up that fund way beyond any need in terms of cash flow purposes, and for the purpose which the act was established.

PRESIDENT: Senator Newell, do you wish to speak on the Warner amendment?

SENATOR NEWELL: Senator Warner, I would like to ask you a question, if I could. The question is very brief and it's very simple. Has this already been added on the green sheet, or would this add the interest amount, which is what,